VZCZCXRO8600 OO RUEHPB DE RUEHWL #0298/01 1100546 ZNY CCCCC ZZH O 200546Z APR 06 FM AMEMBASSY WELLINGTON TO RUEHC/SECSTATE WASHDC IMMEDIATE 2670 INFO RUEHBJ/AMEMBASSY BEIJING IMMEDIATE 0306 RUEHBY/AMEMBASSY CANBERRA IMMEDIATE 4380 RUEHPB/AMEMBASSY PORT MORESBY IMMEDIATE 0563 RUEHSV/AMEMBASSY SUVA IMMEDIATE 0456 RUEHIN/AIT TAIPEI IMMEDIATE 0064 RHHMUNA/CDR USPACOM HONOLULU HI IMMEDIATE RHHJJAA/JICPAC HONOLULU HI IMMEDIATE RHEHAAA/NATIONAL SECURITY COUNCIL WASHDC IMMEDIATE RUEKJCS/SECDEF WASHINGTON DC IMMEDIATE

C O N F I D E N T I A L SECTION 01 OF 02 WELLINGTON 000298

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STATE FOR D (FRITZ), EAP/FO, AND EAP/ANP NSC FOR VICTOR CHA SECDEF FOR OSD/ISA LIZ PHU PACOM FOR JO1E/J2/J233/J5/SJFHQ

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TAGS: PGOV PREL BP NZ

SUBJECT: GNZ REACTION TO SOLOMONS UNREST

REF: A. WELLINGTON IIR 6869 0061 (NOTAL)

1B. PORT MORESBY 170

Classified By: Charge d'Affaires David Burnett, for reasons 1.4 (b) and (d)

- 11. (C) Summary: New Zealand officials believe the situation in Honiara has calmed down, especially given the presence of stepped up RAMSI and local police security presence. But GNZ worries about future flashpoints, such as the upcoming inauguration of PM Rini. They also fear a possible spillover affect to the ethnic Chinese communities in other Pacific Island nations. One possible upside to the Solomons situation, GNZ believes, is that it may impel China and Taiwan to look more seriously at the negative effect of their actions in the region. New Zealand officials continue to look seriously at a long-term approach to the China/Taiwan factor, and would like to remain in contact with us as they do. End Summary.
- 12. (C) New Zealand today began to send 30 police and 25 soldiers to the Solomons Islands, to help RAMSI and local police efforts to stabilize the situation there. Prime Minister Clark noted to the NZ media that the additional forces, sent to assist New Zealand's current contingent of 82 police and soldiers will send "a very clear signal" to rioters. The Ministry of Foreign Affairs and Trade (MFAT) has also advised Kiwis to avoid all non-essential travel to the Solomons. The Government has so far stopped short of urging the 200 New Zealanders in the Solomons to leave, but has said that military flights would be available to anyone wishing to do so. All Kiwis in the Solomons are believed to be safe, although three NZ Policemen (and 17 Australian officers) were injured quelling the riots.
- 13. (C) Heather Riddell, Director of MFAT's Pacific Division, said the problems stemmed from the fact that the Solomons' Prime Minister is elected by successful MPs, "so democracy ceases to work well." In other words, votes are bought. As does Ref B, GNZ believes that Charles Dausabea's backers had a lot to do with rousing the crowds, as he was seen lurking around some of the outbreaks. His party's MPs were also able to leave Parliament even as PM-elect Rini and most MPs were held there. Riddell says that rioters burned down the Honiara supermarket (Wings) belonging to Rini financial

backer Tommy Chan. Most of Chinatown and many other ethnic Chinese businesses are in ashes as well.

- ¶4. (C) With the arrival of additional Australian military and police adding to a visible security presence, things are calmer now, says Riddell. But Rini is due to be sworn in as early as today, so GNZ is monitoring the situation closely. Riddell, whose most recent foreign posting was Honiara, says that she fears the situation could flare up again. She was personally shocked that the resistance to Rini was so determined, as normally protesters "get excited and then go home." This unrest has lasted for days.
- ¶5. (C) Riddell says it is not clear how long the reinforcements would have to remain in Honiara. The next step will be to get through the inauguration and get the government rolling again. Once things are stable, RAMSI and the local police will investigate how the trouble started. Over the shorter term, GNZ is trying to assess the damage to the food supply in the Solomons, given that so many stores were destroyed. Most people have gardens, but there may be shortages of rice and other staples. GNZ will determine whether any assistance may be needed.
- 16. (C) Over the longer term, this episode has obviously created a real setback for the credibility of public security, and the balance between security needs and nation building will have to be reassessed, says Riddell. She predicted another period of instability and uncertainty could arise when Rini selects his Cabinet, and indicated that some victorious MPs are unsavory characters.
- $\P7$. (C) GNZ has not yet done a detailed assessment of the WELLINGTON 00000298 002 OF 002

anti-Chinese sentiment unleashed in the riots, but fears that the problems could spread to other ethnic Chinese in the region. Riddell said that GNZ officials would have raised general concern over China's actions in the Pacific Islands during Premier Wen's recent visit to Wellington, but not any specific examples. GNZ is, however, continuing to work on a strategy for addressing the role of China and Taiwan in the region. Riddell says GNZ continues to see the need for a constructive dialogue with Beijing and Taiwan, and the problems caused for the Chinese community in the Solomons may give a way in.

- 18. (C) During A/S Hill's March visit, NZ officials said that FM Peters would like the Pacific Islands to engage China and Taiwan as a group. But Riddell said that if the recent PRC-hosted forum in Fiji was any example, this approach was unlikely to be successful. She described the gathering (close hold) as "a lecture accompanied by laptops and some financial sweeteners." What will be effective, she said, is if the Pacific Island Governments become disquieted enough to press the issue. But as China now provides at least half of the assistance to the Islands, the governments are in a difficult position.
- 19. (C) Riddell nevertheless believes that a number of issues, including obviously the Solomons but also the problem of illegal logging in Papua New Guinea, are pushing the problem of China/Taiwan to a head. Devising an effective strategy in response remains a critical priority for GNZ, and Riddell says MFAT would like to consult closely with post as they move ahead.

Burnett